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TIME INC. BUYING  
LITTLE, BROWN\$17-Million Offer Accepted  
by Prestige Book House

By HENRY RAYMONT

Time Inc., for more than 40 years a giant in magazine publishing, is purchasing Little, Brown & Co., the Boston book publishers, for \$17-million.

Time is also contemplating moving into the newspaper field outside New York City.

The two moves are part of a pattern of acquisitions and mergers that in six years of diversification have expanded Time Inc. into a \$500-million-a-year communications empire.

The acquisition of Little, Brown, which is expected to be approved by the boards of the two organizations before April, brings to the Time group one of the oldest and most distinguished book publishers in the United States.

## Newark News Interest

At the same time that Time was announcing the prospective acquisition yesterday, a high-ranking executive, who declined to be identified, said talks toward the purchase of The Newark News by Time had been initiated. He said the corporation was also exploring the possibility of purchasing "several other" newspapers. The only paper he would identify, however, was The Newark News.

Edward W. Scudder Jr., president of The Newark News, acknowledged yesterday that Time had "expressed interest" in the 85-year-old daily. But he said the talks had not reached the stage of formal negotiations.

Reports that Time would acquire Little, Brown and also move into the newspaper field have been circulating in the publishing community for several months.

Negotiations for Little, Brown were understood to have neared completion last November when the Department of Justice asked for information to determine that no antitrust law would be violated by the acquisition.

## Management Retained

The agreement in principle for the purchase was announced here by James A. Linen, president of Time Inc., and in Boston by Arthur H. Thornhill Jr., president of Little, Brown.

The announcement emphasized that the 131-year-old publishing house would retain its name and would continue to operate under the direction of its present publishing and editorial management.

Under the acquisition plan, Time Inc. will issue 170,000 shares of its common stock, for all of the Little, Brown stock. At the close of trading on the New York Stock Exchange yesterday, a single share of the Time stock sold for 97 1/4. The transaction will be tax-free for the 64 stockholders of Little, Brown — all of them executives and employees.

"We are delighted to be joining forces with so highly respected a firm as Little, Brown," Mr. Linen commented. "We have no doubt whatsoever that in its new association with Time Inc., Little, Brown will continue to make increasingly important contributions in the book publishing field."

## \$11-Million Book Sales

The publishing house, established in 1837 by Charles G. Little and James Brown, has a distinguished reputation for its devotion to literary classics and to contemporary quality writing. Its net sales, including textbooks in law and medicine, amounted to approximately \$11-million last year.

Among the 250 titles Little, Brown published last year were such best-sellers as Gore Vidal's "Washington, D.C." and "The Autobiography of Bertrand Russell." Other authors published by the Little, Brown are Hortense Calisher, C. S. Forester, Ogden Nash, J. D. Salinger and Samuel Eliot Morison.

Little, Brown will continue to have its headquarters at 34 Beacon Street, the old Cabot family residence overlooking the Boston Common. It will also retain a contractual arrangement with The Atlantic Monthly Press, publishers of The Atlantic Monthly, to issue a number of books jointly until 1991.

Robert Manning, editor of The Atlantic Monthly, said last night "It's been a marvelous arrangement under which we've been publishing together between 25 and 42 books a year and I see no reason why it should not continue to thrive. It's a unique agreement that respects our independence."

The joint publications, initiated in 1927, have included books by nine Pulitzer Prize-winning authors, including Oscar Handlin, Walter Lippman, Stanley Kunitz and Edwin O'Connor.

## Editors Are Elated

A small block of preferred stock in The Atlantic Monthly that is owned by Little, Brown will be bought back by the magazine company before the completion of the sale to Time Inc. It is understood that the nonvoting stock amounts to about \$100,000. About 90 percent of The Atlantic Monthly's stock is owned by Mrs. Marion D. Campbell of New York. Her father, Richard Ely Danielson, bought the magazine in 1939.

Five editors at Little, Brown who were questioned about the pending purchase, were uni-

formly positive. The editors, who asked not to be identified, all emphasized that as long as Time respected the character of the publishing house, the net effect would be to substantially increase its resources.

Mr. Thornhill said: "We are confident that this affiliation with Time, Inc., will enable us to expand our publishing operations, strengthen and reinforce our capacity to develop in the most fruitful way and will be advantageous to our stockholders."

Little, Brown has long been considered a prize by big corporations vying for the few remaining independent prestige publishing houses, such as Atheneum, Farrer, Straus & Giroux, Charles Scribner's Sons and Viking Press.

## A 'Moving Image'

The pending acquisition of Little, Brown marks Time Inc.'s first venture into quality literary publishing in the United States. While in recent years it has bought interests in major publishing companies in France, Roger Lafont, and West Germany, Rowohlt Taschenbuecher, its domestic book-publishing operations through Time-Life Books have been confined to mail-order sales.

The transaction was described by Time executives as part of the publishing organization's "moving image," which has been developing since 1963 with its expansion into computerized education systems, the movie industry and other areas of the communications field.

For the last three years, the corporation's diversification program has been directed by Edgar R. Baker, a 47-year-old vice president in charge of Times's corporate development department.

"We considered a prestige publishing house to be an important addition for our organization," Mr. Baker said in an interview yesterday. "In Little, Brown we found an absolute gem."

Mr. Baker acknowledged that as part of Time's corporate development program he had recommended some months ago that the organization study the possibility of acquiring a daily newspaper. The decision is understood to have been approved by the organization's board of directors.

A first step was to study the possibility of entering into the New York afternoon field following the closing last May of The World Journal Tribune, Mr. Baker said. When Time Inc. discarded the idea, the study group was asked to "explore the newspaper field in general."

The study group is made up of three Time officials: Marshal Loeb, James Bell and Leonard White.